

AMENDED IN SENATE APRIL 25, 2011

AMENDED IN SENATE MARCH 24, 2011

SENATE BILL

No. 777

Introduced by Senator Lieu

February 18, 2011

~~An act to repeal and add Section 6125 of the Penal Code, relating to corrections.~~ *An act to add Section 8546.9 to the Government Code, relating to state government.*

LEGISLATIVE COUNSEL'S DIGEST

SB 777, as amended, Lieu. ~~Inspector General.~~ *State Auditor: financial and performance audits.*

Existing law establishes the Bureau of State Audits, which is headed by the State Auditor and has specified statutory duties, including the performance of statutorily mandated audits. Existing law also provides that the Bureau of State Audits, in order to be free of organizational impairments to independence, is independent of the executive branch and legislative control.

This bill would authorize the State Auditor to establish a corrections audit program for the purpose of conducting, reporting on, and tracking the resolution of, financial and performance audits of the programs and functions of the Department of Corrections and Rehabilitation, as prescribed. The bill would require the State Auditor, upon the completion of these audits, to prepare a written report which would be disclosed to specified entities and posted on the State Auditor's Internet Web site, as specified.

~~Existing law creates the independent Office of the Inspector General and requires the Governor to appoint the Inspector General, as specified. Existing law requires the Inspector General, among other things, to~~

~~review department policy and procedures, conduct audits of investigatory practices and other audits, be responsible for contemporaneous oversight of internal affairs investigations and the disciplinary process, and conduct investigations of the Department of Corrections and Rehabilitation, as specified. Existing law allows the Inspector General, under policies developed by the Inspector General, to initiate an investigation or an audit on his or her own accord.~~

~~This bill would, as of January 1, 2012, require the Bureau of State Audits to succeed to all the duties and responsibilities of the Office of the Inspector General. The bill would provide that any statutory reference to the Office of the Inspector General refers to the Bureau of State Audits and any statutory reference to the Inspector General refers to the State Auditor.~~

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 8546.9 is added to the Government Code,
2 to read:
3 8546.9. (a) *The State Auditor may establish a corrections audit*
4 *program for the purpose of conducting, reporting on, and tracking*
5 *the resolution of, financial and performance audits of the programs*
6 *and functions of the Department of Corrections and Rehabilitation.*
7 *Financial audits shall examine financial statements and financially*
8 *related activities and monitor expenditures made under the*
9 *department's contracts, grants, and other agreements. Performance*
10 *audits shall review the practices and programs of the department*
11 *to determine whether the department is managing its resources in*
12 *an effective, economical, and efficient manner consistent with the*
13 *evidence-based correctional practices and public safety. Financial*
14 *and performance audits conducted pursuant to this section shall*
15 *be conducted in accordance with professional auditing standards*
16 *and shall include recommended actions to correct deficiencies.*
17 (b) (1) *Notwithstanding Section 10231.5, upon the completion*
18 *of any audit conducted pursuant to this section, the State Auditor*
19 *shall prepare a written report which shall be disclosed, along with*
20 *any underlying materials that the State Auditor deems appropriate,*
21 *to the Governor, the Legislature, the Secretary of the Department*
22 *of Corrections and Rehabilitation, and the appropriate director,*

1 *chair, or law enforcement agency. Copies of all written reports*
2 *shall be posted on the State Auditor's Internet Web site within 10*
3 *days of being disclosed as described in this subdivision.*

4 *(2) A report submitted to the Legislature pursuant to this*
5 *subdivision shall be submitted in compliance with the Section 9795.*

6 ~~SECTION 1. Section 6125 of the Penal Code is repealed.~~

7 ~~SEC. 2. Section 6125 is added to the Penal Code, to read:~~

8 ~~6125. Commencing January 1, 2012, the Bureau of State Audits~~
9 ~~shall succeed to all the duties and responsibilities of the Office of~~
10 ~~the Inspector General. Commencing January 1, 2012, any reference~~
11 ~~to the Office of the Inspector General in this or any other code~~
12 ~~refers to the Bureau of State Audits and any reference to the~~
13 ~~Inspector General in this or any other code refers to the State~~
14 ~~Auditor.~~